

THE OFFICE OF REGULATORY STAFF

DIRECT TESTIMONY

OF

DAWN M. HIPPIE

SEPTEMBER 30, 2013



DOCKET NO. 2013-199-WS

**Application of United Utility Companies,
Incorporated for Adjustment of Rates and
Charges and Modifications to Certain
Terms and Conditions for the Provision of
Water and Sewer Service**

DIRECT TESTIMONY OF DAWN M. HIPPI

FOR

THE OFFICE OF REGULATORY STAFF

DOCKET NO. 2013-199-WS

IN RE: APPLICATION OF UNITED UTILITY COMPANIES,

INCORPORATED FOR ADJUSTMENT OF RATES AND CHARGES AND

MODIFICATIONS TO CERTAIN TERMS AND CONDITIONS FOR THE

PROVISION OF WATER AND SEWER SERVICE

**Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND
OCCUPATION.**

A. My name is Dawn Hipp. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as a Director for the Office of Regulatory Staff ("ORS").

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND
EXPERIENCE.**

A. I am a 1992 graduate of Minnesota State University - Moorhead where I earned a B.A. in Political Science. I have over eight years of experience in hazardous waste regulation. From 1996 to 1999, I worked for Laidlaw Environment Services as an accounts receivable supervisor and then as a facility accounting supervisor for Laidlaw's Government Services Division. From 1999-2003, I worked for Safety-Kleen Corporation and Clean Harbors Environmental Services, Inc. as an operations manager in the Government Services Division. In

1 this role, I managed the financial, operations and all regulatory aspects of field
2 offices nationwide serving Department of Defense hazardous waste removal
3 contracts.

4 In September 2004, I joined ORS as the Program Specialist for the Water
5 and Wastewater Department. In November 2007, I became the Director of the
6 Consumer Services, Transportation, Water and Wastewater Department. I
7 currently supervise the ORS activities to monitor utility compliance with the
8 Public Service Commission of South Carolina (“Commission” or “PSC”) rules
9 and regulations. In addition, I am responsible for the records of customer
10 complaints and inquiries received, recorded and investigated by ORS during the
11 regular course of business.

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS**
13 **PROCEEDING?**

14 A. The purpose of my testimony is to set forth the ORS staff findings relative
15 to the review of the rate increase application submitted by United Utility
16 Companies, Inc. (“UUCI”). Specifically, I will focus on UUCI’s compliance with
17 the PSC’s rules and regulations, ORS’s Business Compliance Review of UUCI’s
18 water and wastewater systems, test-year and proposed revenue, and performance
19 bond requirement.

20 **Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS**
21 **TESTIMONY AND ACCOMPANYING EXHIBITS?**

22 A. Yes, my testimony and the attached exhibits detail ORS’s findings and
23 recommendations.

1 **Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR**
2 **TESTIMONY AND EXHIBITS.**

3 A. I used information provided by UUCI in its application and additional
4 information provided by UUCI during the course of our business review and
5 facility site inspections. I also reviewed UUCI's financial statements and
6 performance bond documents submitted to the Commission.

7 **Q. PLEASE PROVIDE AN OVERVIEW OF THE LOCATIONS, SERVICE**
8 **TYPES AND CUSTOMER BASE SERVED BY UUCI IN THIS**
9 **APPLICATION.**

10 A. UUCI is a public utility providing water supply/distribution services and
11 wastewater collection/treatment services. As a subsidiary of Utilities, Inc.,
12 UUCI's operations are classified by the National Association of Regulatory
13 Utility Commissioners ("NARUC") as a Class C water utility and a Class B
14 wastewater utility according to water and sewer revenues reported on its
15 application for the test year ending December 31, 2012. The service area of the
16 UUCI includes portions of Anderson, Cherokee, Greenville, Greenwood, Oconee,
17 and Union counties. UUCI provides water supply/distribution to 101 single
18 family equivalent units and wastewater collection/treatment services to 1,726
19 single family equivalents.

20 **Q. PLEASE EXPLAIN EXHIBIT DMH-1 OF YOUR REPORT.**

21 A. Exhibit DMH-1 is a summary of the water supply/distribution and
22 wastewater collection/treatment systems inspected by ORS on September 10, 11
23 and 12, 2013.

1 **Water Supply/Distribution System**

2 UUCI currently provides adequate water supply services to its residential
3 customers using deep-drilled wells. Safe drinking water standards are being met
4 according to recent South Carolina Department of Health and Environmental
5 Control (“DHEC”) sanitary survey reports and required certified operator logs
6 were in compliance at all ORS audited facilities. Water is metered to all
7 customers. DHEC rated each of the three water systems as ‘SATISFACTORY’
8 during the last sanitary survey. Construction activity has begun at the Kingswood
9 well site and UUCI plans to replace the hydro tank. The project was not complete
10 at the time of the ORS site inspection. No immediate need exists for any other
11 major upgrade for the UUCI water systems.

12 **Wastewater Collection/Treatment System**

13 UUCI provides wastewater treatment under National Pollutant Discharge
14 Elimination System (“NPDES”) permits. In addition, UUCI provides wastewater
15 collection services and transmits the wastewater for treatment to a third party,
16 Renewable Water Resources (“ReWa”). DHEC rated several of the wastewater
17 systems as ‘UNSATISFACTORY’ during the last compliance evaluation
18 inspection, including Trollingwood for flow measurement of the effluent,
19 Canterbury for the effluent not meeting NPDES permits and debris blocking the
20 outfall of the effluent pipe, and Valleybrook and North Greenville University for
21 the effluent not meeting NPDES permits.

22 **Q. DOES ORS RECOMMEND ANY ADJUSTMENTS TO THE TEST YEAR**
23 **WATER AND WASTEWATER SERVICE REVENUES OF UUCI?**

1 A. Yes. ORS completed a comprehensive review of UUCI's customer water
2 and wastewater revenue calculations for the test year. Based on that review, ORS
3 made revenue adjustments totaling \$134,995 to UUCI's test year water and
4 wastewater service revenues. These revenue adjustments normalize the customer
5 billing information provided by UUCI. ORS imputed test year revenue based on
6 customer billing information provided in the original application and
7 supplemental customer data provided by UUCI. ORS revenue calculation was
8 computed using detailed customer data and corresponding single family
9 equivalent rating for each customer as provided by UUCI during the audit
10 process. The difference in the revenue amount computed by ORS and the amount
11 in UUCI's application is largely attributed to UUCI not including all of the sewer
12 customers in certain subdivisions and the imputed single family equivalents for
13 North Greenville University.

14 Commission approved rates were applied to all customers. Note that for
15 the period of January 1, 2012 – January 12, 2012, the rates for water service were
16 different than for the period of January 13, 2012 through the end of the test year.
17 The difference in the rate is based on Docket No. 2009-479-WS, Order No. 2010-
18 543, in which the Commission approved UUCI to implement rates under surety
19 bond.

20 **Q. EXPLAIN THE TEST YEAR WATER AND WASTEWATER SERVICE**
21 **REVENUE AMOUNTS COMPUTED BY ORS FOR UUCI.**

22 A. Exhibit DMH-2 summarizes UUCI's service revenues for the test year
23 ending December 31, 2012. ORS used UUCI's current rates as approved by the

1 Commission and proposed rates as reflected in the Application for each
2 calculation.

3 In summary, ORS calculated UUCI's test year service revenue for
4 residential and commercial water and wastewater operations, as adjusted, of
5 \$1,001,206. For comparison purposes, ORS calculated UUCI's proposed
6 residential and commercial water and wastewater service revenues, as adjusted, of
7 \$1,556,322. ORS did not factor customer growth into these service revenue
8 comparisons.

9 ORS proposes an adjustment to Late Fees revenue of \$3,508 to
10 synchronize Late Fees revenue to the proposed rates in UUCI's application. The
11 adjustment is reflected in ORS Audit Exhibit HNW-1 provided by ORS witness
12 Henry N. Webster.

13 As shown in Exhibit DMH-3 the projected growth for UUCI is
14 approximately 0% for water service and 16.7% for wastewater service.

15 **Q. DOES ORS FIND UUCI'S REQUEST TO INCREASE ITS**
16 **NOTIFICATION FEE FOR DELINQUENT SEWER CUSTOMERS**
17 **REASONABLE?**

18 A. Yes. 10 S.C. Code Ann. Regs. 103-535.1. requires that a 30 day notice be
19 given prior to discontinuance of sewer service to a delinquent customer and that
20 this notice be given by certified mail. If a second notice is necessary, it must be
21 provided by certified mail. As justification for its request, UUCI states that the
22 fee assesses a portion of the clerical and mailing costs of such notices to the
23 customers that create the cost. Due to increases in postage by the U.S. Postal

1 Service and other cost associated with mailing Certified/Return Receipt mailings,
2 ORS considers the increase from \$6.00 to \$15.00 to be reasonable.

3 **Q. WHAT IS ORS'S POSITION REGARDING UUCI'S REQUEST TO ADD**
4 **THE NON-RECURRING CHARGES FOR DISCONNECTION, METER**
5 **INSTALLATION, PUMPING, AND TAMPERING?**

6 A. UUCI proposes to add several non-recurring charges to its rate schedule in
7 order to recover costs associated with performing certain services and
8 damaging/tampering with UUCI service lines and equipment. I will address each
9 non-recurring charge separately.

10 **Disconnection Charge for Water and Sewer Service**

11 UUCI is proposing to delete the Commission approved Reconnection
12 Charge and establish a Disconnection Charge for the discontinuance of service to
13 a customer for violation of rules and regulations, nonpayment of bills, or
14 fraudulent use of service or at the request of the customer as allowed under 10
15 S.C. Code Ann. Regs. 103-532.4. and 103-732.5. The purpose of the charges
16 proposed by UUCI is to reimburse the Company for the transportation expense,
17 labor cost, and cost of materials to disconnect the customer's service.

18 1) Disconnection for Water Service:

19 UUCI has requested a \$40 disconnection charge associated with
20 disconnecting a customer's water service for any reason as set forth in the
21 Regulations, and the customer has been found to have vacated his premises or the
22 customer has shown his intent to vacate his premises and the imposition of a
23 reconnection charge is not feasible. The disconnection charge replaces the \$35.00

1 reconnection charge currently approved in UUCI'S tariff. ORS does not object to
2 the Disconnection Charge for water service as proposed by UUCI.

3 2) Disconnection for Sewer Service:

4 UUCI has requested a \$500 disconnection charge associated with
5 disconnecting a customer's sewer service in instances where no elder valve is in
6 place at a premise where only sewer service is provided. In instances where an
7 elder valve has been previously installed, UUCI is proposing a disconnection
8 charge of \$40 which covers labor cost and transportation expense to the
9 customer's premise address to disconnect the service. During the application
10 review process, ORS requested a detailed expense justification of the costs to
11 support the Disconnection Charge for sewer service. UUCI stated that the
12 expense includes the cost to accomplish the installation of the elder valve varies
13 greatly depending on the depth of the sewer service, the presence of underground
14 and surface conflicts such as underground utilities, driveways, sidewalks, fencing,
15 landscaping or other obstacles. ORS does not object to the Disconnection Charge
16 for wastewater service.

17 **Meter Installation Charge**

18 A Meter Installation Charge of \$100 is proposed by UUCI to recover the
19 labor cost and transportation expense to install a 5/8 inch x 3/4 inch water meter at
20 a customer premise where no 5/8 inch x 3/4 inch meter has been provided by the
21 developer to the Company. For the installation of all other meters, the customer
22 shall be billed for the Company's actual cost of installation. This meter charge
23 would not be charged when replacing existing meters nor would it be charged in

1 instances where a developer furnishes the water meter to UUCI for installation by
2 UUCI staff. During the audit process, ORS found that vendors only charged the
3 Company \$35.00 for the purchase of a new 5/8 inch x 3/4 inch water meter.
4 Whether the 5/8 inch x 3/4 meter is provided by the developer or purchased by the
5 Company, it will be installed by UUCI. Under both scenarios the Company
6 incurs similar labor cost and transportation expense. The only difference in the
7 cost and expense to the Company is the purchase cost for the meter. Therefore,
8 ORS recommends the Meter Installation Charge be limited to \$35.00 for those
9 instances where no 5/8 inch x 3/4 inch meter has been provided by a developer to
10 the Company.

11 **Pumping Charge**

12 UUCI proposes to revise the Pumping Charge for those sewer customers
13 who utilize a solids interceptor tank to be the “actual cost” with a minimum
14 charge of \$150.00. UUCI did not provide a specific breakdown of what
15 comprised those cost estimates and ORS is unable to evaluate if the cost estimate
16 is reasonable. ORS cannot support the requested revision to the Pumping Charge
17 as ORS could not evaluate the actual cost.

18 If the Commission were to approve a revision to the Pumping Charge,
19 ORS recommends that the rate schedule identify a specific dollar amount for the
20 charge. This would provide transparency to the customer and assure billing
21 accuracy.

22 **Tampering Charge**

UUCI proposes a Tampering Charge of \$250 to recover the expenses in the event that the Company's equipment and facilities are damaged, tampered with, or stolen by a customer. 10 S.C. Code Ann. Regs. 103-535(D) and 103-735(D) requires that the customer make "every reasonable effort to prevent tampering and shall notify the utility immediately of any tampering with damage to, or removal of any equipment." If the customer complies with this Commission requirement, UUCI should not be allowed to charge the customer for tampering. UUCI estimates that the Tampering Charge will generate approximately \$500 per year based on the charge being applied twice a year at \$250 each. ORS does support the recovery by UUCI of all **actual expenses** related to repair of damaged equipment or facilities if it can be proven that a customer willfully damaged or tampered with UUCI's equipment. ORS recommends the proposed amendment to the language proposed by UUCI:

Tampering Charge: In the event the Utility's equipment, water mains, water lines, sewage pipes, elder valves, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge the customer responsible for the damage the actual cost of repairing the Utility's equipment, not to exceed \$250. The tampering charge shall be paid in full prior to the Utility re-establishing service or continuing the provision of service.

It should be noted that UUCI did charge a tampering fee of \$135 during the test year but it was refunded to the customer as it was not a Commission approved charge.

Q. WHAT IS ORS'S POSITION REGARDING UUCI'S REQUEST TO ADD A LEAK MITIGATION PROGRAM?

1 A. UUCI proposes in its application to add a Leak Mitigation Program in the
2 amount of 0.5% of total service revenue. This Leak Mitigation Program would be
3 added to the Miscellaneous Expenses. UUCI failed to explain or justify the
4 selection of the Leak Mitigation Program amount of 0.5% of total service
5 revenue. In addition, UUCI has neither demonstrated a purpose for this program
6 nor provided a description of how the Leak Mitigation Program will be
7 administered and managed. Therefore, ORS recommends that expenses for a Leak
8 Mitigation Program be excluded from UUCI's expenses as these expenses have
9 not been incurred.

10 **Q. HAS UUCI COMPLIED WITH THE REPORTING AND VACANCY**
11 **SURVEYS REQUIREMENTS IN COMMISSION ORDER NO. 2012-547?**

12 A. Yes. UUCI submitted the report regarding iron sediment in Trollingwood
13 on August 6, 2013. UUCI completed its annual vacancy survey for 2012 and
14 reported the results to the Commission and ORS on July 17, 2013.

15 **Q. PLEASE EXPLAIN EXHIBIT DMH-4 OF YOUR REPORT.**

16 A. Exhibit DMH-4 is a summary of UUCI's current PSC approved rates and
17 proposed rates.

18 **Q. PLEASE EXPLAIN THE STATUS OF THE PERFORMANCE BOND FOR**
19 **UUCI.**

20 A. UUCI has a current performance bond for utility operations in the form of
21 an Irrevocable Letter of Credit on file with the PSC in the amount of \$350,000 for
22 water and \$100,000 for sewer. Based on the expenses from the test year and
23 using the criteria set forth in 10 S.C. Code Regs. 103-512.3.1, ORS determined

1 that the face amount of UUCI's bond should remain the same. (Exhibit DMH-5)
2 UUCI's adjusted bonding criteria expenses for the test year after the proposed
3 increase were \$72,737 for water operations and \$950,811 for wastewater
4 operations.

5 **Q. PLEASE DISCUSS YOUR FINDINGS RELATED TO THE REVIEW OF**
6 **CERTAIN INVOICES DURING THE AUDIT PROCESS.**

7 A. UUCI provided copies of invoices to ORS to support expenses and capital
8 expenditures as outlined in the Application. ORS found that many invoices did
9 not provide sufficient information to identify the location for which the equipment
10 was purchased or service rendered. In addition, the invoices were not identified
11 listing a service location for UUCI. In some instances, equipment or parts for the
12 Company were shipped from the vendor to an office in West Columbia,
13 Lexington, Columbia, or Charlotte, NC in lieu of a location near the facility. This
14 method of handling shipments adds to transportation costs and complicates the
15 ORS review process. The review process is further complicated when invoices
16 are not clearly identified by UUCI or its parent company, Utilities, Inc., which
17 operates four other related companies in South Carolina and many other entities in
18 other states. UUCI should be required to clearly demonstrate on each invoice the
19 service address and/or Company receiving the service equipment and/or where
20 service is rendered.

21 UUCI routinely categorizes operations and maintenance expenses as
22 capitalized projects. ORS re-classified certain items as expenses for the test year
23 that UUCI had identified as capitalized projects in its books and records. These

1 items included grass cutting, minor leak repair, elder valve repair and disposable
2 items such as trash bags and gloves. During ORS's review, it was noted UUCI
3 does not capture plant asset retirements properly.

4 **Q. PLEASE EXPLAIN EXHIBIT DMH-6 OF YOUR REPORT**

5 A. Exhibit DMH-6 demonstrates the effect of the proposed rate increase on
6 the highest billed customers.

7 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

8 A. Yes.



ORS BUSINESS OFFICE COMPLIANCE REVIEW

Utility: United Utility Companies, Inc.
 Inspector: H. Majewski; D. Hipp
 Docket: 2013-199-WS
 Office: 2335 Saunders Road, Northbrook, IL 60062; 151 Old Wire Road, West Columbia
 Utility Type: Water and Wastewater Utility
 Date: 6/28/13 – 9/27/13
 Company Representative: Nicole Winans/Patrick Flynn/Karen Sasic/Kirsten Markwell

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with R.103-510 and R. 103-710.	X		Customers can contact call centers to receive copies of records.
2	Complaint records maintained in accordance with R.103-516 and R. 103-716.	X		All customer complaints are input into UUCI database which tracks service orders, complaint types and related resolutions.
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530 and R.103-730.	X		
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the Commission and that the customer has the right to register the complaint in accordance with R.103-530 and R. 103-730.	X		
5	Deposits charged within the limits established by R.103-531 and R. 103-731.	X		
6	Timely and accurate bills being rendered to customers in accordance with R.103-532 and R.103-732.	X		UUCI bills for monthly service in arrears.
7	Bill forms in accordance with R.103-532 and R.103-732.	X		Bill form is clear with adequate after-hours emergency contact information. The back of the bill form shows the applicable rate schedule or contains a statement to the effect that the applicable rate schedule will be furnished on request.

Exhibit DMH-1

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
8	Adjustments of bills handled in accordance with R.103-533 and 103-733.	X		Invoice adjustments are compliant with R.103-533 and 103-733.
9	Policy for customer denial or discontinuance of service in accordance with R.103-535 and 103-735.	X		Deferred payment plan and payment extension agreement available to all customers.
10	Notices sent to customers prior to termination in accordance with R.103-535 and 103-735.	X		
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514-C and 103-714-C.	X		
12	Utility has adequate means (telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in case of emergency or unscheduled interruptions or service in accordance with R.103-530 and 103-730.	X		
13	Records maintained of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-514 and 103-714.	X		
14	Utility advised the Commission, in accordance with Rule 103-512.2 and 103-712.2 of the name, title, address and telephone number of the person who should be contacted in connection with general management duties, customer relations, engineering operations, emergencies during non-office hours.	X		
15	Company verified the maps on file with the Commission include all the service area of the company.	X		
16	Number of customers the company has at present time.	NA	NA	As of 12/31/2012, UUCI provided service to 101 water and 1,726 sewer customers.
17	Company has a current performance bond on file with the Commission. Combined Amount of bond: \$450,000	X		UUCI currently has an irrevocable letter of credit (ILC) on file with the PSC/ORS. The stated bond amount is \$100,000 for water service and \$350,000 for sewer service.

Exhibit DMH-1

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
18	Company has a current annual report on file with the Office of Regulatory Staff.	X		Received 04/26/2013
19	Company has paid annual Gross Receipts assessment.	X		Current filing and payment made.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/11/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell
Number of Customers:	96 SFEs combined with Briarcreek II
System Type (collection, force main, lagoon, etc):	Collection, gravity flow to package plant
Location of System:	Briarcreek I, Hwy 105, Gaffney, Cherokee County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0023736
Last SC DHEC Compliance Rating:	Satisfactory – 6/18-19/2012
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Daytonville Water Works, Inc. or private wells

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	NA	NA	
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	NA	NA	
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable		X	Solids in clarifier. Effluent cloudy.
14	Lift Stations present			No lift station on system
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:

Blocked line in clarifier contributed to solid build-up in system. Operator contacted to resolve.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/11/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell
Number of Customers:	96 SFEs combined with Briarcreek I
System Type (collection, force main, lagoon, etc):	Collection, gravity flow to package plant
Location of System:	Briarcreek II, Hwy 105, Gaffney, Cherokee County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0026409
Last SC DHEC Compliance Rating:	Satisfactory – 6/18-19/2012
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Daytonville Water Works, Inc. or private wells

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	NA	NA	
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	NA	NA	
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable		X	Solids in clarifier. Effluent cloudy.
14	Lift Stations present			No lift station on system
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:

Blocked line in clarifier resulted in solids build-up in system. Operator called to resolve.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/11/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell
Number of Customers:	93 SFEs
System Type (collection, force main, lagoon, etc):	Collection, gravity flow to package plant
Location of System:	Fairwood, Hwy 49, Union County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0035041
Last SC DHEC Compliance Rating:	Satisfactory – 8/23-25/2010
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Meansville-Riley Road Water

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	NA		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Duckweed present in digester
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		1 Lift Station at plant
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell, L. Chitwood
Number of Customers:	312 SFEs
System Type (collection, force main, lagoon, etc):	Collection, force main to ReWa
Location of System:	Country Aire and Village, Piedmont
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Collection Only
Permit #:	
Last SC DHEC Compliance Rating:	N/A
Frequency checked by WWTF Operator:	
Drinking Water Provider:	Greenville

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator			NA
2	Other chemicals in use			NA
3	Aerators present			NA
4	Plant fenced and locked			NA
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			NA
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			NA
11	Grease build-up acceptable	X		
12	Plant free of debris			NA
13	Effluent Color acceptable			NA
14	Lift Stations present	X		1 Lift station; replaced WWTP
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:

Elder valves installed in both subdivisions. Lift station cleaned in April 2013.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell, L. Chitwood
Number of Customers:	108 SFEs
System Type (collection, force main, lagoon, etc):	Collection, 5 mile of force main to ReWa
Location of System:	Woodmont High School, Piedmont, SC
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Collection Only
Permit #:	
Last SC DHEC Compliance Rating:	N/A
Frequency checked by WWTF Operator:	3 times/week
Drinking Water Provider:	Greenville

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator			NA
2	Other chemicals in use			NA
3	Aerators present			NA
4	Plant fenced and locked			NA
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition			NA
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable			NA
11	Grease build-up acceptable	X		
12	Plant free of debris			NA
13	Effluent Color acceptable			NA
14	Lift Stations present	X		
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		Only by agreement with ReWA

Additional Comments:



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell
Number of Customers:	96 SFEs
System Type (collection, force main, lagoon, etc):	Collection, gravity flow, activated sludge plant, polishing pond
Location of System:	Highland Forest, Hwy 25, Greenwood County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0034444
Last SC DHEC Compliance Rating:	Marginal – 3/21-23/2012
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Greenwood CPW

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Duckweed on polishing pond
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		1 lift station on system at plant
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell, L. Chitwood
Number of Customers:	54 SFEs
System Type (collection, force main, lagoon, etc):	Collection, force main, lagoon treatment
Location of System:	Trollingwood, Pelzer, Greenville County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0026611
Last SC DHEC Compliance Rating:	Non-Compliant – 6/20/2012
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	UUCI and Greenville Water

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		2 aerators
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Algae present
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		1 lift station on system at plant
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: DHEC noted deficiencies in the flow measurement of effluent



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell, L. Chitwood
Number of Customers:	158 SFEs
System Type (collection, force main, lagoon, etc):	Collection, activated sludge process with treatment in tanks
Location of System:	Canterbury, Hwy 25, Greenville County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0028941
Last SC DHEC Compliance Rating:	Non-Compliance - 10/15-17/2012
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Greenville Water

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	NA	NA	
11	Grease build-up acceptable	X		
12	Plant free of debris		X	Bar screen had not been cleaned
13	Effluent Color acceptable	X		
14	Lift Stations present	NA	NA	
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:

Smoking testing completed in subdivision. DHEC noted effluent not meeting NPDES permit limits and effluent pipe buried with debris blocking outfall



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell, L. Chitwood
Number of Customers:	205 SFEs
System Type (collection, force main, lagoon, etc):	Collection, activated sludge process with treatment in-ground
Location of System:	Valleybrook, Hwy 25, Greenville County
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0028673
Last SC DHEC Compliance Rating:	Non-Compliant – 6/18-19/2012
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Greenville Water

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		Foam present
11	Grease build-up acceptable	X		
12	Plant free of debris		X	Debris from clean-up of aerator lines
13	Effluent Color acceptable	X		
14	Lift Stations present			N/A
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments: DHEC noted effluent not meeting NPDES permit limits



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/12/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	Mac Mitchell
Number of Customers:	392 SFEs
System Type (collection, force main, lagoon, etc):	Collection, force main
Location of System:	North Greenville Univ, Hwy 414, Tigerville & Valley View, Greenville
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Sequential Batch Reactor (SBR)
Permit #:	SC0026565
Last SC DHEC Compliance Rating:	Non-Compliance – 11/21-22/2011
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Blue Ridge Water

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	NA	NA	
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	NA	NA	
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		6 lift stations (4 in subdivisions served & 2 near plant)
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		100 of 400+ homes built in Valley View subdivision; capacity limited for expansion at NGU

Additional Comments: DHEC noted effluent not meeting NPDES permit limits;



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview:

Date Inspected:	09/10/13
Inspector Name:	D. Hipp, H. Majewski
Docket Number:	2013-199-WS
Utility Name:	United Utility Companies, Inc.
Utility Representative:	M. Mitchell, M. Johnson
Number of Customers:	204 SFEs
System Type (collection, force main, lagoon, etc):	Collection, gravity flow to package plant
Location of System:	Chambert Forest, Anderson SC
Location of Utility Office:	151 Old Wire Road, West Columbia, SC 29172
Treatment Type:	Biological
Permit #:	SC0024716
Last SC DHEC Compliance Rating:	Satisfactory – 12/7/2010
Frequency checked by WWTF Operator:	Daily
Drinking Water Provider:	Starr-Iva

Inspection Results

	System Components Inspected	Yes	No	Comments
1	Chlorinator	X		
2	Other chemicals in use	X		Sodium thiosulfate
3	Aerators present	X		
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	NA	NA	
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	NA	NA	
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		1 aerated lift station
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		Road washed due to heavy summer rains
20	Ability for service area to expand	X		

Additional Comments:

Sludge removal on day of inspection. Elder valves installed in subdivision.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: 09/10/13
Inspector Name: D. Hipp, H. Majewski
Docket Number: 2013-199-WS
Utility Name: United Utility Companies, Inc.
Utility Representative: M. Mitchell, L. Chitwood
Number of Customers: 52
System Type (distribution, well, etc): Wells & distribution
Location of System: Trollingwood, Pelzer, Greenville County
Location of Utility Office: 151 Old Wire Road, West Columbia, SC 29172
Treatment Type: Chlorination
Permit #: 2350010
Last SC DHEC Compliance Rating: Satisfactory – 10/25/2012
Frequency checked by Licensed Operator: Daily
Wastewater Provider: UUCI

Inspection Overview

	System Components Inspected	Specific Type	#	P S I	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites		2			X		
2	Pump Houses		2			X		
3	Storage Tank	Pressurized	1		5k	X		
3a	Storage Tank	Non-Pressurized	0					
3b	Storage Tank	Overhead	0					
4	Chlorinator		1			X		
5	Other Chemicals in use		2			X		Aqua-Mag/Caustic Soda
6	Meters					X		57
7	Fire Hydrants							None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	System free of leaks					X		
11	Access road adequate					X		
12	Ability for service area to expand					X		Phase 2 to be served by Greenville.

Additional Comments:

UUCI replaced filters and media in 2010 to reduce iron.



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: 09/10/13
Inspector Name: D. Hipp, H. Majewski
Docket Number: 2013-199-WS
Utility Name: United Utility Companies, Inc.
Utility Representative: M. Mitchell, L. Chitwood
Number of Customers: 21
System Type (distribution, well, etc): Wells & distribution
Location of System: Woodmont, Simpsonville
Location of Utility Office: 151 Old Wire Road, West Columbia, SC 29172
Treatment Type: Chlorination
Permit #: 2350013
Last SC DHEC Compliance Rating: Satisfactory – 10/25/2012
Frequency checked by Licensed Operator: Daily
Wastewater Provider: Septic

Inspection Overview

	System Components Inspected	Specific Type	#	PSI	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites		1			X		
2	Pump Houses		1			X		
3	Storage Tank	Pressurized	1	60	5k	X		
3a	Storage Tank	Non-Pressurized	0					
3b	Storage Tank	Overhead	0					
4	Chlorinator		1			X		
5	Other Chemicals in use		2			X		Phosphorus
6	Meters					X		
7	Fire Hydrants							None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	System free of leaks					X		
11	Access road adequate					X		
12	Ability for service area to expand					X		

Additional Comments:



ORS WATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: 09/10/13
Inspector Name: D. Hipp, H. Majewski
Docket Number: 2013-199-WS
Utility Name: United Utility Companies, Inc.
Utility Representative: M. Mitchell, L. Chitwood
Number of Customers: 28
System Type (distribution, well, etc): Wells & distribution
Location of System: Kingswood, Simpsonville
Location of Utility Office: 151 Old Wire Road, West Columbia, SC 29172
Treatment Type: Chlorination
Permit #: 2350011
Last SC DHEC Compliance Rating: Satisfactory – 10/25/2012
Frequency checked by Licensed Operator: Daily
Wastewater Provider: Septic

Inspection Overview

	System Components Inspected	Specific Type	#	P S I	Capacity	Compliance		Comments
						Yes	No	
1	Well Sites		1			X		
2	Pump Houses		1			X		
3	Storage Tank	Pressurized	1		5k	X		Tank off-line; 2 temporary bladder tanks on-line during construction
3a	Storage Tank	Non-Pressurized	0					
3b	Storage Tank	Overhead	0					
4	Chlorinator		1			X		
5	Other Chemicals in use		1			X		Phosphorus
6	Meters					X		
7	Fire Hydrants							None
8	Electrical Wiring acceptable					X		
9	Piping acceptable					X		
10	System free of leaks					X		
11	Access road adequate					X		
12	Ability for service area to expand					X		

Additional Comments:

UUCI replacing hydro tank at Kingwood. Project not complete due to Greenville County permits. Bladder tanks will be moved after tank is replaced.

United Utility Companies, Inc.
2013-199-WS
Service Revenue Impact
for Test Year ending December 31, 2012

Exhibit DMH-2

Revenue Overview for Period January 1 to January 12, 2012 Rates approved by PSC					
Customer Classification	Service Units	Consumption in Gallons	Usage Charge per 1,000 gallons	Base Facility Charge (BFC)	Test Year Calculated Revenues
Residential & Commercial Water	101	517,470	\$4.50	\$11.50	\$2,778
Service Revenues - Water	101	517,470			\$2,778
5/8" Sewer	763			\$48.24	\$14,248
5/8" Sewer Mobile Home	221			\$35.58	\$3,044
Commercial Sewer	322			\$48.24	\$6,013
Sewer Collection Residential & Commercial	420			\$24.66	\$4,009
Service Revenues - Sewer	1,726				\$27,314
Combined Water and Sewer Service Revenues					\$30,092
Revenue Overview for Period January 13, 2012 through December 31, 2012 Rates Approved in Order No. 2012-547					
Customer Classification	Service Units	Consumption in Gallons	Usage Charge per 1,000 gallons	Base Facility Charge (BFC)	Test Year Calculated Revenues
Residential & Commercial Water	101	5,717,590	\$7.79	\$15.18	\$62,345
Service Revenues - Water	101	5,717,590			\$62,345
5/8" Sewer	763			\$53.50	\$474,045
5/8" Sewer Mobile Home	221			\$39.46	\$101,272
Commercial Sewer	322			\$53.50	\$200,055
Sewer Collection Residential & Commercial	420			\$27.35	\$133,397
Service Revenues - Sewer	1,726				\$908,769
Combined Water and Sewer Service Revenues					\$971,114
Miscellaneous Revenues - Late fees					\$6,137
Miscellaneous Revenues - Notification Fee					\$9,423
Miscellaneous Revenues - NSF Charges					\$480
Miscellaneous Revenues - Reconnection Charges					\$4,425
Miscellaneous Revenues - Home Serve					\$934
Miscellaneous Revenues - Account Set-up					\$3,525
Miscellaneous Revenues - Meter Installation Fee					\$0
Miscellaneous Revenues - Tampering					\$0
Total Miscellaneous Revenues					\$24,924
Uncollectible Accounts					(\$14,200)
Total Operating Revenues - Pro Forma Present					\$1,011,930

United Utility Companies, Inc.
2013-199-WS
Service Revenue Impact
for Test Year ending December 31, 2012

Exhibit DMH-2

Revenue Overview for Test Year Ending December 31, 2012 - Proposed Rates

Customer Classification	Service Units	Consumption in Gallons	Usage Charge per 1,000 gallons	Base Facility Charge (BFC)	Test Year Calculated Revenues	Increase Amount from Present Rates	Increase %
Residential & Commercial Water	101	6,235,060	\$10.77	\$21.00	\$92,604	\$27,481	44%
Service Revenues - Water	101	6,235,060			\$92,604	\$27,481	44%
Residential Sewer	763			\$83.39	\$763,519	\$275,226	58%
Mobile Home Sewer	221			\$61.51	\$163,125	\$58,809	58%
Commercial Sewer	322			\$83.39	\$322,219	\$116,151	58%
Sewer Collection Residential & Commercial	420			\$42.63	\$214,855	\$77,449	58%
Service Revenues - Sewer	1,726				\$1,463,718	\$527,635	58%
Combined Water and Sewer Service Revenues					\$1,556,322	\$555,116	57%
Miscellaneous Revenues - Late Fees (1)					\$9,645	\$3,508	57%
Miscellaneous Revenues - Notification Fees (2)					\$23,550	\$14,127	150%
Miscellaneous Revenues - NSF charges (3)					\$480	\$0	0%
Miscellaneous Revenues - Disconnection Charges (4)					\$7,240	\$2,815	64%
Miscellaneous Revenues - Home Serve (5)					\$934	\$0	0%
Miscellaneous Revenue - Account Set-up (6)					\$4,230	\$705	20%
Miscellaneous Revenues - Tampering Charges (7)					\$500	\$500	N/A
Miscellaneous Revenues - Water Meter Installation (8)					\$100	\$100	N/A
Total Miscellaneous Revenues					\$46,679	\$21,755	87%
Uncollectible Accounts					(\$22,183)	(\$7,983)	56%
Total Operating Revenues - Pro Forma Proposed					\$1,580,818	\$568,888	56%

- Miscellaneous Revenues - Late Fees - The interest amount or late payment charges for monthly charges will be greater due to the higher proposed rate.
- Miscellaneous Revenues - Notification Fees - The interest amount or late payment charges for monthly charges will be greater due to the higher proposed rate.
- Miscellaneous Revenues - NSF Charges - Calculation based on the number of customers charged a NSF fee during the test year.
- Miscellaneous Revenues - Disconnection Charges - UUCI proposes to remove the "Reconnection Charge" from its tariff and add a "Disconnection Charge"
- Miscellaneous Revenues - Home Serve - to account for UUCI's revenue received from a 3rd party vendor, Home Service, for the use of UUCI customer information to market a product to provide insurance for repairs that may be required on customer-owned piping.
- Miscellaneous Revenue - Account set up charge - UUCI proposes to increase the charge from \$25 to \$30
- Miscellaneous Revenue - Tampering Charge - UUCI proposes to add tampering charges, not more than \$250 per event, to its tariff
- Miscellaneous Revenue - Meter Installation fee - UUCI proposes to add a water meter installation fee of \$100

United Utility Companies, Inc.
Docket No. 2013-199-WS
Customer Growth Analysis

Exhibit DMH-3

Date	Water Customers	Sewer Customers	Total Customers
12/31/2011	101	1,232	1,333
12/31/2012	101	1,726	1,827
Average	101	1,479	1,580

Growth Factor for Water

Date	# of Customers	
12/31/2012	101	
Average	101	
Growth Factor	0.0000000	0.000000%

Growth Factor for Sewer

Date	# of Customers	
12/31/2012	1,726	
Average	1,479	
Growth Factor	0.1670047	16.70047%

Growth Factor for Combined Operations

Date	# of Customers	
12/31/2012	1,827	
Average	1,580	
Growth Factor	0.1563291	15.63291%

SCHEDULE OF PROPOSED RATES AND CHARGES

WATER

1. Monthly Charges

Residential

Monthly charge per single-family house,
Condominium, mobile home, or apartment unit:

	<u>Current</u>	<u>Proposed</u>
Base Facilities Charge	\$15.18 per unit	\$21.00 per unit
Commodity Charge	\$7.79 per 1,000 gallons or 134 cft.	\$10.77 per 1,000 gallons or 134 cft.

Commercial

Base Facilities Charge	\$15.18 per unit	\$21.00 per unit
Commodity Charge	\$7.79 per 1,000 gallons or 134 cft.	\$10.77 per 1,000 gallons or 134 cft.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When it is impractical to meter each unit separately because of the method of water line installation utilized by the developer or owner, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

For the convenience of the owner, the Utility will bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

2. Non-Recurring Charges

A) Water service connection charge per single family equivalent	\$100.00
B) Plant impact fee per single family equivalent	\$400.00
C) Water meter – 5/8 inches x 3/4 meter	\$100.00

All 5/8 inch x 3/4 inch water meters shall meet the Utility's standards and shall be installed by the Utility. A one-time meter fee of \$100 shall be due upon installation for those locations where no 5/8 inch x 3/4 inch meter has been provided by a developer to the Utility.

For the installation of all other meters, the customer shall be billed for the Utility's **actual cost** of installation. All such meters shall meet the Utility's standards and be installed by the Utility unless the Utility directs otherwise.

The non-recurring charges listed above are minimum charges and apply even if the equivalency rating of the non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the water system is requested.

3. Account Set-Up and Disconnection Charges

	<u>Current</u>	<u>Proposed</u>
a. Customer Account Charge – for new customers only	\$25.00	\$30.00
b. Disconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R.103-732.5, and the customer has been found to have vacated his premises or the customer has shown his intent to vacate his premises and the imposition of a reconnection charge is not feasible, a disconnection fee shall be due in the amount of forty dollars (\$40.00) and shall be due prior to the Utility reconnecting service.		
c. Tampering Charge: In the event the Utility's equipment, water mains, water lines, meters, curb stops, service lines, valves or other facilities have been damaged or tampered with by a customer, the Utility may charge a \$250 tampering fee to the customer responsible for the damage to the Utility's equipment. The tampering fee shall be paid in full prior to the Utility re-establishing water service or continuing the provision of water service.		

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 ½%) for each month, or any part of month, that said payment is late.

6. Cross-Connection Inspection

Any customer installing, permitting to be installed, or maintain any cross connection between the Utility's water system and any other non-public water system, sewer or a line from any container of liquids or other substances, must install an approved back-flow prevention device in accordance with 24A S.C. Code Ann. Regs. R61-58.7.F, as may be amended from time to time. Such a customer shall annually have such cross connection inspected by a licensed certified tester and provide to Utility a copy of a written inspection report and testing results submitted by the certified tester in accordance with 24A S.C. Code Ann. Regs. R61-58.7.F, as may be amended from time to time. Said report and results must be provided by the customer to the Utility within 30 days of inspection. If a customer fails to comply with the requirement to perform annual inspections, the Utility may disconnect water service after 30 days' written notice. The Utility shall provide affected customers with an advanced annual notification of such certification requirement.

7. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capabilities of the utility, the Utility may provide an electronic bill to the customer on the Utility's website, in lieu of mailing a paper copy. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-732.2 as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty four hours of its issuance and the web address of its location.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate

connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless water supply is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving water system. In no event will the Utility be required to construct additional water supply capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding water supply capacity to the affected water system.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

SCHEDULE OF PROPOSED RATES AND CHARGES

SEWER

1. Monthly Charges

	<u>Current</u>	<u>Proposed</u>
<u>Residential</u>		
Monthly charge per single-family house, Condominium, condominium, villa or apartment unit:	\$53.50 per unit	\$83.39 per unit
Mobile Homes – monthly charge	\$39.46 per unit	\$61.51 per unit
<u>Commercial</u>		
Monthly charge per single family equivalent*	\$53.50	\$83.39

Charge for Sewage Collection Service Only

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

<u>Residential</u>		
Monthly charge per single-family house, Condominium, condominium, villa or apartment unit:	\$27.35 per unit	\$42.63 per unit
<u>Commercial</u>		
Monthly charge per single family equivalent*	\$27.35 per unit	\$42.63 per unit

The Utility will also charge for treatment services provided by the government body or agency or other entity. The rates imposed or charged by the government body or agency or other entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection/impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rata basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

The Utility will, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units, which is served by a master water meter or a single water connection. However, in such cases all arrearages must be satisfied before service will be

provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

Solids Interceptor Tanks

For all customers receiving sewage collection service through an approved solids interceptor tank, the following additional charges shall apply:

A. Pumping Charge

At such time as the Utility determines through its inspection that excessive solids have accumulated at the interceptor tank, the Utility will arrange for pumping the tank, and the **actual cost** to the Utility for pumping the tank will be billed to the customer; the minimum pumping charge will be \$150.00. The cost of the Utility's pumping charge will be included as a separate item in the next regular billing to the customer.

B. Pump Repair or Replacement Charge

If a separate pump is required to transport the customer's sewage from solids interceptor tank to the Utility's sewage collection system, the Utility will arrange to have this pump repaired or replaced as required and will include the cost of such repair or replacement as a separate item in the next regular billing to the customer and may be paid for over a one-year period.

C. Visual Inspection Port

In order for a customer who uses a solids interceptor tank to receive sewage service from the Utility or to continue to receive such service, the customer shall install at the customer's expense a visual inspection port which will allow for observation of the contents of the solids interceptor tank and extraction of test samples therefrom. Failure to provide such visual inspection port after timely notice of not less than thirty (30) days shall be just cause for interruption of service until a visual inspection port has been installed.

2. Non-recurring Charges

- | | |
|--|----------|
| A) Sewer service connection charge per single family equivalent* | \$100.00 |
| B) Plant impact fee per single family equivalent* | \$400.00 |

The non-recurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Disconnection Charges

- a. Notification fee: A fee of fifteen dollars (\$15.00) shall be charged to each customer per notice to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- b. Customer Account Charge: A fee of thirty dollars (\$30.00) shall be charged as a one-time fee to defray the costs of initiating service. This charge will be waived if the customer is also a water customer.
- c. Disconnection Charges: In addition to any other charges that may be due, in those cases where a customer's service has been disconnected for any reason as set forth in Commission Rule R. 103-532.4, the customer is found to have vacated his premises or the customer has shown his intent to vacate his premises and the imposition of a reconnection charge is not feasible, a disconnection fee in the amount of \$500.00 shall be due at the time the customer disconnects service. Where an elder valve has been previously installed, a disconnection fee of forty dollars (\$40.00) shall be charged.
- d. Tampering Charge: In the event the Utility's equipment, sewage pipes, meters, curb stops, service lines, elder valves or other facilities have been damaged, tampered with or molested by a customer, the Utility may charge a customer in any responsible for the damage a fee of \$250 to repair the equipment.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1½%) for each month, or any part of a month, that said payment is late.

6. Electronic Billing and Electronic Payment

If requested by the customer in writing and within the capabilities of the utility, the Utility may provide an electronic bill to the customer on the Utility's website, in lieu of mailing a paper copy. The electronic bill shall contain the same content and be presented in the same or a similar format as a bill delivered to the customer pursuant to Commission Rule R. 103-732.1 as may be amended from time to time. Late payment charges will not be triggered until twenty-five (25) days after the Utility issues the electronic bill and it leaves the control of the Utility or its billing agent. The Utility must provide notice to the customer that the bill form is available for review within twenty four hours of its issuance and the web address of its location.

7. Toxic and Pretreatment Effluent Guidelines

The utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency (“EPA”) or the South Carolina Department of Health and Environmental Control (“DHEC”) as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403-.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility’s minimum pretreatment standards. Any person or entity introducing such prohibited or untreated materials into the Company’s sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney’s fees, incurred by the Utility as a result thereof.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its sewer system. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service unless sewer capacity is unavailable or unless the South Carolina Department of Health and Environmental Control or other government entity has for any reason restricted the Utility from adding additional customers to the serving sewer system. In no event will the Utility be required to construct additional sewer treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

*A Single Family Equivalent (SFE) shall be determined by using the South Carolina Department of Health and Environmental Control Guidelines for Unit Contributory Loadings for Domestic Wastewater Treatment Facilities 25 S.C. Code Ann. Regs. 61-67 Appendix A, as may be amended from time to time. Where applicable, such guidelines shall be used for determination of the appropriate monthly service and tap fee.

United Utility Companies, Inc. - Water			
Bond Value Components	Application Per Books	After Accounting & Pro Forma Adjustments	After Applicant's Proposed Increase
Maintenance Expenses	\$44,913	\$39,110	\$39,110
General Expenses	\$13,173	\$15,799	\$15,799
Taxes Other Than Income	\$11,503	\$12,915	\$13,234
Income Taxes - State & Fed	(\$2,041)	(\$6,310)	\$4,594
Bond Value Requirement	\$67,548	\$61,514	\$72,737
United Utility Companies, Inc. - Wastewater			
Bond Value Components	Application Per Books	After Accounting & Pro Forma Adjustments	After Applicant's Proposed Increase
Maintenance Expenses	\$444,675	\$473,574	\$473,574
General Expenses	\$151,584	\$153,400	\$153,400
Taxes Other Than Income	\$114,212	\$131,114	\$136,274
Income Taxes - State & Fed	(\$20,268)	\$11,134	\$187,563
Bond Value Requirement	\$690,203	\$769,222	\$950,811
United Utility Companies, Inc. - Combined			
Bond Value Components	Application Per Books	After Accounting & Pro Forma Adjustments	After Applicant's Proposed Increase
Maintenance Expenses	\$489,588	\$512,684	\$512,684
General Expenses	\$164,756	\$169,198	\$169,198
Taxes Other Than Income	\$125,715	\$144,029	\$149,508
Income Taxes - State & Fed	(\$22,309)	\$4,824	\$192,157
Bond Value Requirement	\$757,750	\$830,735	\$1,023,547
Current Performance Bond Structure (1)	Bond Value	Expiration Date	
JPMorgan Chase Bank, NA Irrevocable Letter of Credit (CTCS-314815)	\$100,000	Auto Renewal	
JPMorgan Chase Bank, NA Irrevocable Letter of Credit (00440433)	\$350,000	Auto Renewal	
Total Financial Assurance	\$450,000		

(1) Letter of Credit secures performance bond of \$100,000 for water operations and \$350,000 for wastewater operations.

United Utility Companies, Inc.
Docket No. 2013-199-WS
Highest Billed Customers

Exhibit DMH-6

<u>Customer Name</u>	<u>ERC's</u>	<u>Service Address</u>	<u>Service Type</u>	<u>Customer Type</u>	<u>Monthly BFC Charge at Current Rate</u>	<u>Monthly BFC Charge at Proposed Rate</u>
N. Greenville University	309.00	245 HIGHWAY 414	Sewer	Commercial	\$16,532	\$25,768
School District of Greenville Cty	108.00	2831 W GEORGIA RD	Sewer - Collection	Commercial	\$2,954	\$4,604
Highlander Apartments	32.00	HIGHLANDER APTS 24	Sewer	Commercial	\$1,712	\$2,668
Briarcreek Apartments	24.00	100 KILLION DR	Sewer	Commercial	\$1,284	\$2,001
7-11/Hickory Point	8.00	7803 AUGUSTA RD	Sewer	Commercial	\$428	\$667
Valleyview Golf Course	3.00	450 CHEROKEE VALLEY WAY	Sewer	Commercial	\$161	\$250